

## **EXHIBIT 6**

### **WORKFORCE INVESTMENT NOTICE: 99-13**

**SUBJECT:** Conflict of Interest

**DATE:** February 23, 2000

#### **I. INTRODUCTION [Ref. - Act Sec. 117(g)]**

Conflict of Interest. —A member of a local board may not—vote on a matter under consideration by the local board—regarding the provision of services by such member (or by an entity that such member represents); or that would provide direct financial benefit to such member or the immediate family of such member, or engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

#### **II. CONFLICT OF INTEREST POLICY**

1. Every Workforce Investment Board shall adopt in its bylaws conflict of interest standards meeting the minimum standards set forth in this policy. These conflict of interest standards shall apply to all Workforce Investment Board members(voting and non-voting) and the members of committees established by the Workforce Investment Board.
2. A Workforce Investment Board member with a conflict of interest regarding any matter is prohibited from discussion and voting in connection with that matter.
3. Any Workforce Investment Board member (or specific entity represented by that member) who significantly participates in the development of contract specifications or standards is prohibited from receiving any direct financial benefit from any resulting contract.
  - a. Any Workforce Investment Board member who significantly participates in a board discussion or decision relating to specific terms of a contract, the determination of specific standards for performance or a contract, the development of Invitations for Bid (IFB) or Requests for Proposals (RFP) or other such bid processes leading to a contract, or any similar discussions or decisions is prohibited from receiving any direct financial benefit from any resulting contract. In addition, no corporation, partnership, firm, association, or other entity shall receive the contract if it would create a conflict of interest for the Workforce Investment Board member who significantly participated in the manner described above.

- b. Any Workforce Investment Board member, including One-Stop partner, who significantly participates in the development of contract specifications, is prohibited from bidding on those contracts or supervising staff who are paid from funding awarded under such contracts.
  - c. The prohibition regarding the conflict of interest shall also apply to contracts entered into or responses to RFPs accepted from immediate family members of an interested party or a corporation or business in which the immediate family member may occupy a management position or own shares of some portion of the company or business of subsidiary or related business.
- 4. Each Workforce Investment Board member shall file a statement of financial interest with the Rhode Island Ethics Commission (R.I.G.L. 36-14.1) at the time they become a board member and every year thereafter. Nothing stated in the policy will exempt the member from compliance with any of the provisions of R.I.G.L. 36-14.1.
  - a. Each board member shall provide written notice to the Workforce Investment Board that they have filed with the Rhode Island Ethics Commission indicating the date of such filing. A copy of this notice shall be forwarded to the Workforce Investment Office.
- 5. Any Workforce Investment Board member with a potential or actual conflict of interest must disclose that fact to the Workforce Investment Board as soon as the potential conflict is discovered and, to the extent possible, before the agenda for a meeting involving the matter at issue is prepared. If it should be determined during a meeting that a conflict of interest exists, the member must verbally declare such conflict of interest, such declaration must be clearly noted in the minutes, and such member must recuse him/herself from the remainder of the discussion and the voting. (*A sample conflict of interest disclosure letter is attached.*)
  - a. Each board member is responsible for determining whether any potential or actual conflict of interest exists or arise during his/her service on the board. Board members are also responsible for reporting such potential or actual conflict of interest as soon as it is discovered that such a condition exists.
- 6. If a contract or purchase is made by the Workforce Investment Board involving its own member with a conflict of interest, the Workforce Investment Board shall justify the terms and conditions of the contract or purchase.
  - a. When a contract or purchase is made by the board involving its own member or an entity with which the board member is associated, the board must establish and document to the reasonable satisfaction of the State Workforce Investment Office that the contract or purchase was

adequately bid or negotiated and that the terms of the contract or price of the purchase are fair and reasonable to the Workforce Investment Board.

7. The Workforce Investment Board shall adopt procedures that serve to minimize the **appearance** of conflicts of interest.
  - a. Workforce Investment Board members who are also One-Stop partners should not serve on any committees that deal with oversight of the One-Stop system or allocation of resources that would potentially be allocated to that member's program. This shall not apply to public sector members or representatives who do not realize a pecuniary benefit as a result of their action or vote.
8. The State Workforce Investment Office will provide technical assistance to coordinate compliance with the conflict of interest standards and assist in answering questions and avoiding potential problems.
  - a. The State Workforce Investment Office staff will provide technical assistance upon request from local boards concerning the conflict of interest standards. The SWIO's intent is to assist the board to avoid compliance violations or the appearance of violations.

### **III. ACTION**

Please review this policy for establishing local Workforce Investment Boards. WIB staff members should insure that all appropriate people in their respective areas have copies of this policy and use the guidance provided in the policy.

### **V. ATTACHMENTS**

1. Sample Conflict of Interest Disclosure Letter

**SAMPLE**

Attachment 1

DISCLOSURE LETTER OF (POTENTIAL) CONFLICT OF INTEREST

Workforce Investment Board

Dear Workforce Investment Board Chair:

This letter serves to notify you of a (potential) conflict of interest that I have with regard to a matter that will or may come before the workforce investment Board for consideration.

The matter at issue is ... *(Briefly describe the potential conflict in detail making sure to fully describe the (potential) conflict.*

This information is provide in order to inform you of a (potential) conflict of interest, as is required by the bylaws of the Workforce Investment Board. I will keep all persons informed as to any changes in circumstances by written notification. I will comply with all applicable by laws and other requirements of this Workforce Investment Board and all applicable laws with regard to this situation.

Please contact me at your earliest convenience in order to discuss this situation.

Sincerely,

*(Signature)*

Board Member

Cc: Board Members